

DATE: 3/5/03 TIME: 9:00 A.M.

5/003/020

SEND TO: State of Utah, Division of Oil, Gas, & MiningATTENTION: Wayne Hedberg, Permit Supervisor, Minerals Reclamation ProgramFAX: 801-359-3940Wayne,Copy of Correspondence to Brad D. Palmer, State of Utah,B.L.M., Assistant Field Manager to follow for yourreview.

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DIV. OF OIL, GAS & MINING

Total pages (including this page) 4

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March 3, 2003

5/003/020

Brad D. Palmer, Assistant Field Manager
Non Renewable Resources
Bureau of Land Management
Salt Lake Field Office
2370 South 2300 West
Salt Lake City, Utah 84110

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MAR - 5 2003

DIV. OF OIL, GAS & MINING

Re: Our meeting 9:00 AM Friday, February 28th with myself and John Kirkham.

Greetings,

We agreed that the remaining issues pertaining to our application for an amendment to our Turquoise Stone Quarry mining plan are quite basic and simple, and should be quickly resolved so we can meet our quarry start up date in April. As you know, we have been unnecessarily delayed on updating our project for several years now. This has been a very disturbing and expensive experience that has caused us economic hardship and loss of business. I appreciate your efforts to get this basic issue settled so we can all concentrate our efforts on important issues that are a real threat to our economy and our freedom.

We discussed a number of things at our meeting, but I want to start with some of the things that we discussed during the joint B.L.M. personnel and Utah State group meeting on July 17, 2002 at our Turquoise Stone Quarry.

- A. Health Department regulations" You were never specific on who to contact or where. Consequently I got bad information when I called Box Elder County Courthouse in Brigham City. I was turned over to someone who said that if there are any specific regulations for the quarries in Box Elder County, they would send them to me. Nothing came except winter! Finally I did more detective work and discovered that it was the Health Department in Tremonton that I needed to contact. I have been trying to connect with the inspector, Randy Ward. Between his schedule and the weather, it has been difficult, but we will get it done this month. For a number of years now, we have had all building permits and septic system approvals in place, so a confirming O.K. to the B.L.M. should be no problem.
- B. At the meeting, we agreed to allow the B.L.M. to interlock a B.L.M. lock at the gate leading to our upper quarries. That was done.
- C. Also at that meeting we agreed that our working area would be confined to the lower quarry immediately above the old rock crusher, and depicted on the maps we submitted.
- D. We also agreed that we would be allowed to continue with restoration and clean up work in the canyon area above the main cabin, and below the old crusher. Additionally we were to be allowed to continue with clean up and restoration work above our bottom quarry all the way to the top quarry, and that we would not be charged with disturbed acreage on our mining plan. Your B.L.M. preferred alternative diagram presents a different spin on some of the issues that we had agreed upon.

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E. Your aerial photo overlay, B.L.M. preferred alternative presented when we met on 2.28.03: I have to disagree with that presentation that is dramatically different from previous agreements and understandings. Why did you go back to the aerial photo overlay, which is the format for our original mining plan and one that I suggested when we submitted our amended plan, but was turned down for supposed lack of detail? Then we were requested to submit a number of versions of a 7.5 topo map that cost us another substantial amount of money. I thought that the final draft of the 7.5 min. map was approved?

1. Red Outlines: Surface disturbance in 1998. I really do not understand those outlines since I have repeatedly stated that our activities since purchasing the property have been confined to clean up and restoration, based upon the best standards and safety requirements mandated by MSHA and the State of Utah. We have spent over \$300,000.00 in those efforts over the course of the past 11 years. The State of Utah has nominated our efforts at the Turquoise Stone Quarry for a best small decorative stone quarry recognition award. Regarding B.L.M. reclamation policy, you must be aware that reclamation is not required for any lands disturbed prior to January 1, 1981 unless the land is re disturbed by an ongoing operation. Unlike most operators, we have met that criterion, and have willingly committed to clean up and restoration measures way beyond the letter of the law. The B.L.M. Has consistently chosen to ignore this commitment. What is it that you are after? Is not our commitment and on the ground proof of that commitment enough to prove our intent? It seems like every time we start to get on track with the B.L.M. the game plan changes. I am referring mainly to the "Disturbed Area Issue".

At our July 17 quarry site meeting, we went into great detail about our methods, effort, and commitment to clean up and restoration of "pre law" working areas. It was agreed that we could proceed with that plan and concentrate our "quarrying" efforts at the bottom quarry directly above the old crusher. It is obvious that this would accomplish the best end result for the B.L.M.. When we feel that it is necessary to re open another working area, we will file for an amendment to our existing plan. The existing roads in the quarry area have been there since the 50's. We have graded and contoured the roads to prevent erosion and to meet safety standards. This does not constitute disturbance. If we choose to open working areas served by these roads, then they would be used as an important element of our active quarrying. In the mean time, they are there and have been for at least 48 years, and some of them longer. They serve as access for fire control if needed, access to areas that are undergoing clean up and restoration, and lately access for B.L.M. vehicles and personnel. It is unwise for government employees to abuse their vehicles on bad roads, have accidents and then blame the operator.

2. Gate #2 remove all locks or install a cattle guard: Makes no sense after all of the previous agreements and our compliance. You have your lock. This is a serious security issue as stated and explained many times before.

3. Gate #3 The issue of the private Dugway Road has been reviewed, discussed, and challenged by various people over the course of the 25 or 30 years since it was built by Mr. Fuller over 30 years ago, and locked for security reasons. There are no working areas, old or new that are accessed by that road. The road is steep, narrow, and certainly not suitable for B.L.M. vehicles. I am afraid that if Mike Ford would attempt it, he would end up at the bottom of the canyon upside down. No cattle can pass through the north side of that gate since it is too narrow and blocked by rock, although a person on foot can get through.

4. I simply do not understand the statement that "operator would confine all mining and milling and stockpiling activities to main quarry and to areas within preferred fence alignment." We have explained over and over again the vital importance of our current fences, and have made adjustments in the past to satisfy the B.L.M..

5. After digesting the "preferred alternative", I was astounded at the total deviation from what we have applied for as an amendment, and have been working toward with the B.L.M. for the past 2 years! I am sorry but this went completely over my head at our meeting. The odd map that Mike Ford drew threw me a curve!

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After 2 years of discussion with the B.L.M. you were still unsure of why we must move the crushing operation to Mill Site number 4 in order to become profitable and efficient with our production. This is a classic example of why we have been in conflict with the B.L.M. since we took possession of the Turquoise Stone Quarry. We have not filed these mill sites just for the fun of it. We have a long range 100 year plan, a vision of how to build an economical and ecologically sound quarrying operation based upon a track record. You are not dealing with idiots. Please let's get down to the legal reality of this issue and move things off of dead center so we can all go back to work and become productive.

I am relying on your promise that we will be able to prepare our Mill Site number 4 by April so we can move our crusher and get back into business this season.

Sincerely,



Gary Mullard
President

cc: John Kirkham, Stoel Rives LLP